Anatoliy Sydorchuk
Ph.D. in Economics, docent
Ternopil National Economic University

WAYS OF IMPROVING THE EFFICIENCY OF PUBLIC PENSION INSURANCE

Cash redistribution processes in the state pension confirm an increase in the proportion of its financial resources in GDP of 4% during 2005-2014. As the domestic financial resources the state pension insurance for this period increased by only 1%, it was found that such changes were the result not enhancing the role of insurance premiums or expand their tax base and the redistribution of accumulated financial resources from the state budget to the Pension Fund of Ukraine. This led to a deterioration of the balance of the financial resources of the state pension insurance, as evidenced by a decrease in coefficient of internal resources and increase the coefficient of correlation between the external and internal financial resources the state pension insurance. As a result, there was a constant reduction factor of regional autonomy of public financial resources pension insurance for 2005-2014. This practice of state pension insurance population changes the purpose of individual financial institutions of the state, and its continuation is evidence of imbalance in the financial resources of the pension system at an alarming rate.

The greatest volume of financial resources to the State Pension Insurance influenced by such factors as the amount of payroll in the economy and the rate of the single social contribution. The degree of regulation these factors by the state is fundamentally different: if the pay is regulated by setting its minimum level, contributions to social insurance are adjusted due to changes in premium rates. It is necessary a comprehensive approach to solving the problem of balancing the financial resources of the state pension, which is to reduce the expenditures of the Pension Fund of Ukraine, and only after that - reducing the rate of the single social contribution. The factors that will have a long term impact on the use of financial resources of the state pension insurance. In particular in pension insurance on the size of future pension-employed will affect: the rate of pension contributions, the rate of return on savings deposits, term of payment of pension contributions and future pension receipt period. Proved that the rates of pension contributions at a rate of 10.5% payroll and 6.5% on investment income accrued during the '35 labor activity amount (scenario most closely approximates to the economy of Ukraine) can achieve the greatest correlation between the level of wages of employees and future pension of pensioners that will improve welfare and reduce poverty among pensioners.

Literature:

1. The official website of the Pension Fund of Ukraine [electronic resource]. - Access: http://www.pfu.gov.ua/